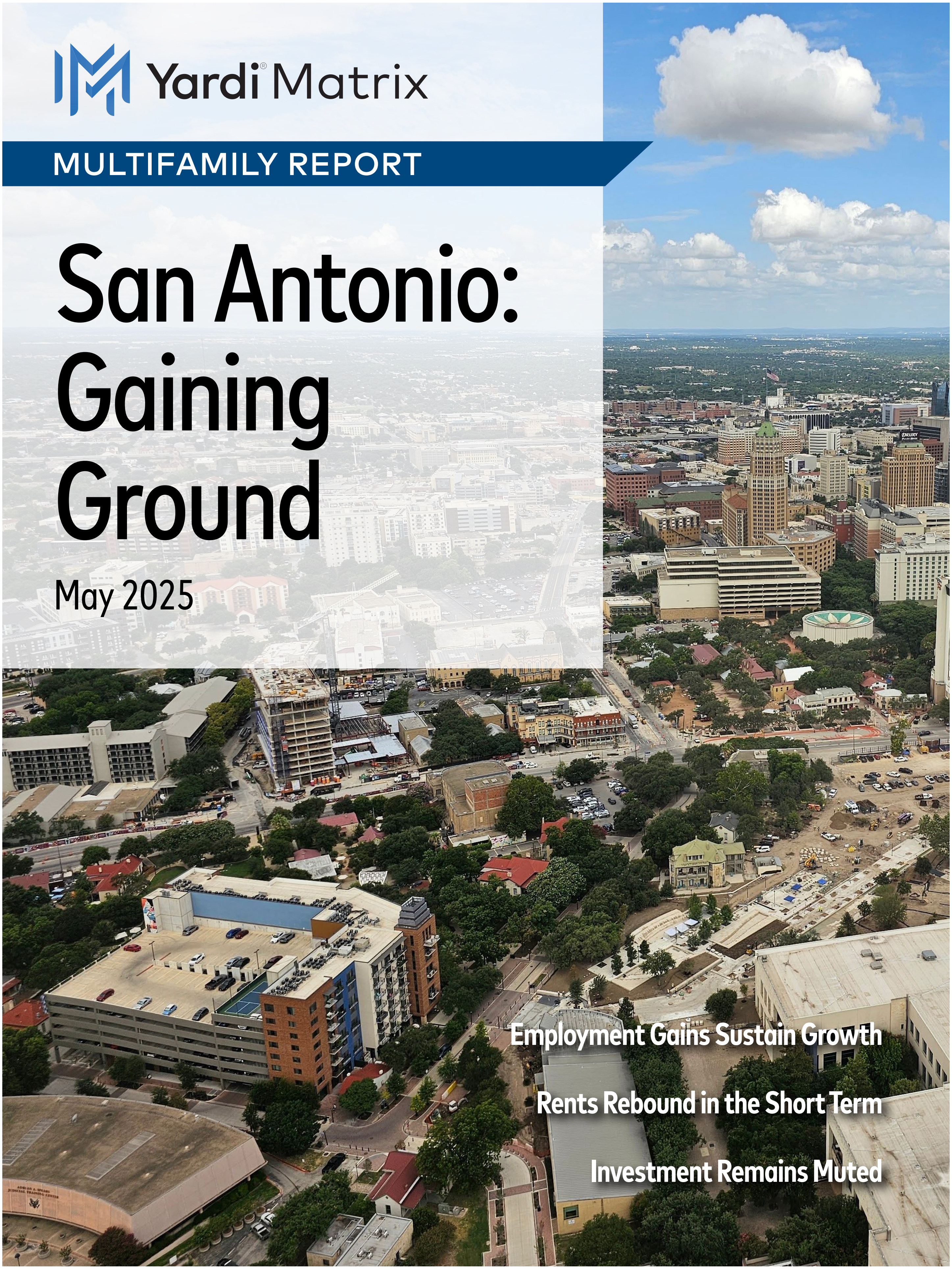
Yardi Matrix

MULTIFAMILY REPORT

San Antonio: Gaining Ground

May 2025



Employment Gains Sustain Growth

Rents Rebound in the Short Term

Investment Remains Muted

SAN ANTONIO MULTIFAMILY

Yardi Matrix

Occupancy Drops, Rents Improve

San Antonio fundamentals were mixed at the end of 2025's first quarter. While rent growth rebounded on a trailing three-month basis, up 0.1% to $1,254 in March, it was still down on a yearly basis. Year-over-year, San Antonio asking rents slid 1.0%, while the U.S. rate posted a 1.0% increase, to $1,755. Occupancy in stabilized properties dropped another 50 basis points year-over-year, to a particularly low 90.8% as of February.

The metro's job growth was among the strongest in the U.S., at 1.8% as of January, well ahead of the 1.0% national average. The market added 22,000 net jobs in 12 months. Meanwhile, the unemployment rate stood at 3.7% as of March, lower than both the U.S. (4.2%) and Texas (4.1%) figures, according to preliminary Bureau of Labor Statistics data. All employment sectors added jobs in San Antonio, with the highest gains recorded in leisure and hospitality (6,500 jobs), education and health services (5,800 jobs) and government (3,200 jobs). Noteworthy projects in the metro include the Center for Brain Health at UT Health Science Center San Antonio, slated to open in December, and Innovation Tower, a component of the 1,900-acre Tech Port innovation campus.

Developers delivered 2,273 units in 2025 through March and had another 15,601 units underway, but new construction is slowing from its historic peak. Investment nearly halted, totaling just $538 million in 2024, with the per-unit average up 4.6% year-over-year.

Market Analysis | May 2025

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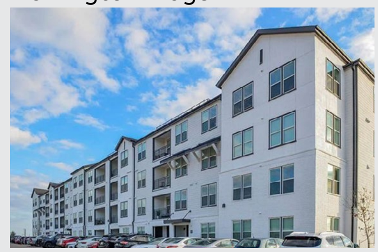
Recent San Antonio Transactions

Durrington Ridge

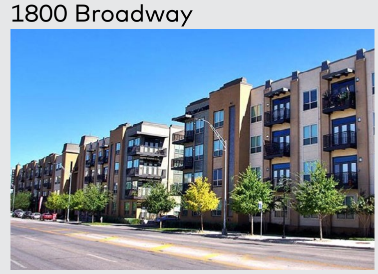


City: San Antonio
Buyer: Ascendant Capital Partners
Purchase Price: $78 MM
Price per Unit: $194,918

The Sterling at Oak Hills

City: San Antonio
Buyer: AHV Communities
Purchase Price: $63 MM
Price per Unit: $189,544

1800 Broadway

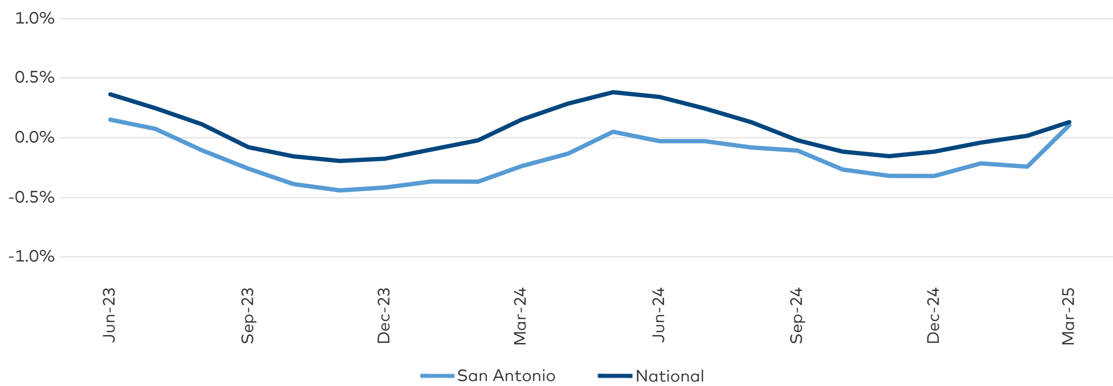


City: San Antonio
Buyer: Old Three Hundred Capital
Purchase Price: $42 MM
Price per Unit: $184,464

RENT TRENDS

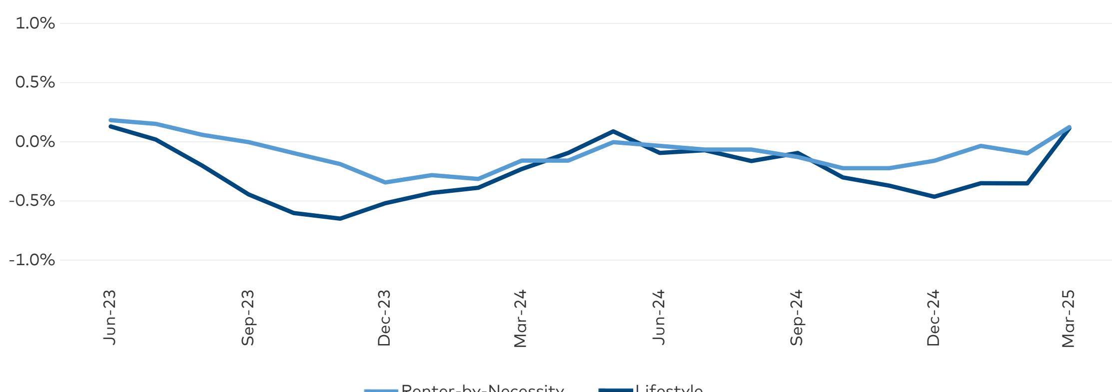
- The average San Antonio advertised asking rent inched up 0.1%, on a trailing three-month (T3) basis through March, to $1,254, marking only the second increase over the past 20 months. Meanwhile, the national rate rose 0.1%, to $1,755. Year-over-year, the market continued to lag, down 1.0%, while the U.S. average rose 1.0%.
- Rent growth rebounded across segments, up 0.1%, on a T3 basis through March, in both segments—to $1,434 in Lifestyle and to $1,056 in working-class Renter-by-Necessity assets. While RBN rent evolution was steadier over the past year, staying between -0.2% and 0.1%, Lifestyle advertised asking rents moved within the -0.5% to 0.1% band.
- The occupancy rate in stabilized properties felt the impact of high supply volume, down 0.5% year-over-year to 90.8% as of February. RBN occupancy fell 90 basis points, to 89.5%, while Lifestyle occupancy slid 30 basis points, to 92.0%. Meanwhile, the U.S. rate remained unchanged, at 94.5%.
- Year-over-year, rent movement was negative in half of the 45 submarkets tracked by Yardi Matrix. Rents declined in San Antonio's most expensive submarkets—Southtown/King William (-1.1% to $1,584), Beckmann (-4.3% to $1,513) and the Far North Side (-0.3% to $1,510), while minor increases were recorded in Terrell Hills (0.1% to $1,430) and Far North Central (0.4%, $1,403).
- The San Antonio average asking SFR rate rose 2.8% year-over-year, to $2,096 in March. However, occupancy fell 1.5%, to 92.0%.

San Antonio vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

San Antonio Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- San Antonio employment rose 1.8% as of January, with the local economy adding 22,000 net jobs over 12 months. Job growth remained in the 1.7% to 1.8% band for the eighth consecutive month, while the U.S. average was at 1.0% for the fourth straight month. All sectors gained jobs, led by leisure and hospitality (6,500 jobs), education and health services (5,800 jobs) and government (3,200 jobs).
- San Antonio unemployment clocked in at a tight 3.7% in March, outperforming both the U.S. (4.2%) and Texas (4.2%) figures, according to preliminary data from the Bureau of Labor Statistics. San Antonio's unemployment rate was the second lowest among major Texas metros, behind Austin (3.4%) but surpassing Dallas (3.8%) and Houston (4.2%).
- Notable updates in the metro include the Center for Brain Health at UT Health Science Center San Antonio, which is slated to open in December. The project is part of $1 billion in capital investments that includes the eight-story, $472 million Multispecialty and Research Hospital that opened in December 2024. Meanwhile, Port San Antonio's Innovation Tower project has entered the design phase and is expected to break ground in 2026 and be completed by 2028. The tower is part of the 1,900-acre Tech Port innovation campus, which currently employs 18,000 people.

San Antonio Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
70	Leisure and Hospitality	144.5	12.2%
65	Education and Health Services	182.8	15.4%
90	Government	191.5	16.1%
15	Mining, Logging and Construction	75.7	6.4%
55	Financial Activities	100.7	8.5%
40	Trade, Transportation and Utilities	209.6	17.7%
80	Other Services	41.6	3.5%
30	Manufacturing	62.1	5.2%
50	Information	19.4	1.6%
60	Professional and Business Services	158.7	13.4%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- San Antonio's population expanded 24.9% between the 2010 Census and 2022, well above the 8.9% national average. The metro came in right behind Dallas (24.7%) but trailed Houston (25.1%) and Austin (41.1%).

San Antonio vs. National Population

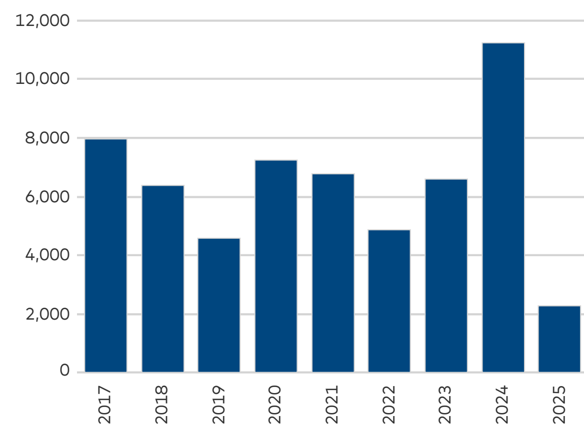
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
San Antonio	2,468,193	2,510,211	2,529,453	2,570,862

Source: U.S. Census

SUPPLY

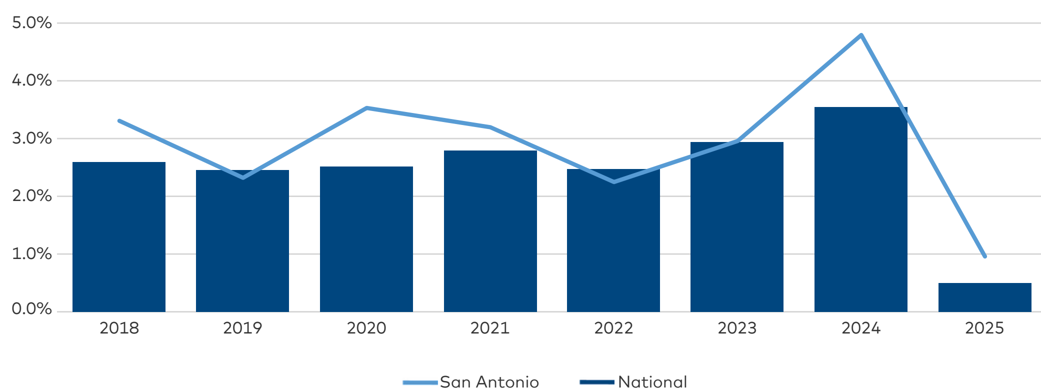
- Construction remained strong in San Antonio, with developers delivering 2,273 units in the first quarter. That was equal to 1.0% of existing stock and double the 0.5% national rate. In 2024, the metro's inventory expanded by 11,243 units (4.8% of existing stock), marking the largest volume on record. The composition of projects completed in 2025 through March included 68.3% units in Lifestyle projects, 6.4% in RBN and 25.3% in fully affordable developments.
- The construction pipeline as of March comprised 15,601 units underway and another 36,000 in the planning and permitting phases. The composition of projects under construction encompassed 57.1% Lifestyle, 10.3% RBN and 32.6% units in fully affordable projects.
- New construction still shows up, but at a slower pace. In 2024, developers broke ground on 6,157 units across 29 properties, down from 7,330 units across 26 properties in 2023. In 2025 through March, developers started construction on 314 units across two properties.
- Development is spread out across the map, with 32 of the 45 submarkets tracked by Yardi Matrix having at least one property of more than 50 units underway as of March. Four submarkets had more than 1,000 units under construction each: Southeast Side (1,470 units), Helotes (1,396 units), Southtown/King William (1,387 units) and New Braunfels (1,274 units).
- The largest project delivered in the first quarter of 2025 was The Linden, a 340-unit Lifestyle property located in New Braunfels. The asset is owned by Allen Harrison Co. and was built with aid from a construction loan issued by BancFirst in 2023.

San Antonio Completions (as of March 2025)



Source: Yardi Matrix

San Antonio vs. National Completions as a Percentage of Total Stock (as of March 2025)

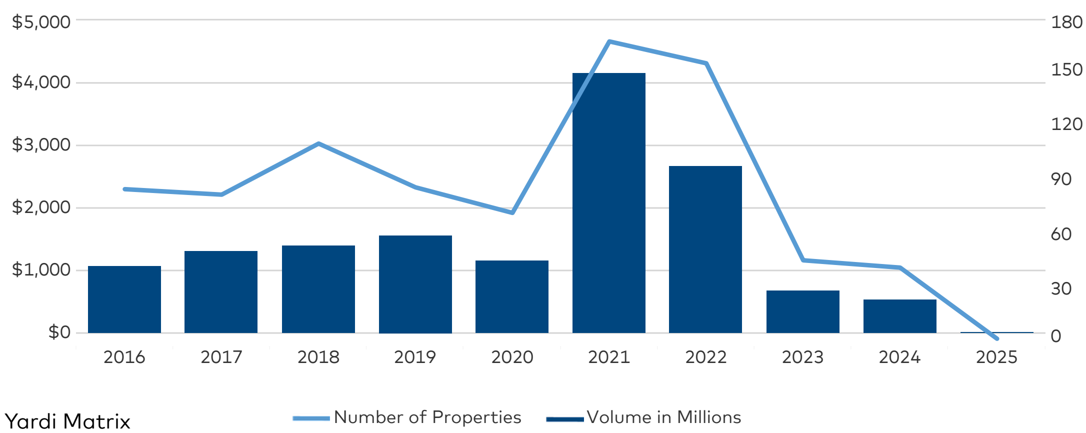


Source: Yardi Matrix

TRANSACTIONS

- The slowdown in transaction activity continued for the third consecutive year in San Antonio, with confirmed sales totaling under $9 million during the first quarter of 2025. The previous two years marked the lowest annual investment volumes of the decade: $538 million in 2024 and $684 million in 2023.
- The average price per unit in San Antonio closed 2024 at $126,154, up 4.6% year-over-year, well behind the $193,754 U.S. rate, which rose 13.9% year-to-date to $220,599 as of March.
- Notable San Antonio sales registered in the 12 months ending in March included Ascendant Capital Partners' acquisition of a 398-unit asset in the Far North Side submarket from Abacus Capital Group. The Lifestyle property, dubbed Durrington Ridge, was built in 2023, and sold with aid from a $58 million loan originated by Walker & Dunlop.

San Antonio Sales Volume and Number of Properties Sold (as of March 2025)



Source: Yardi Matrix

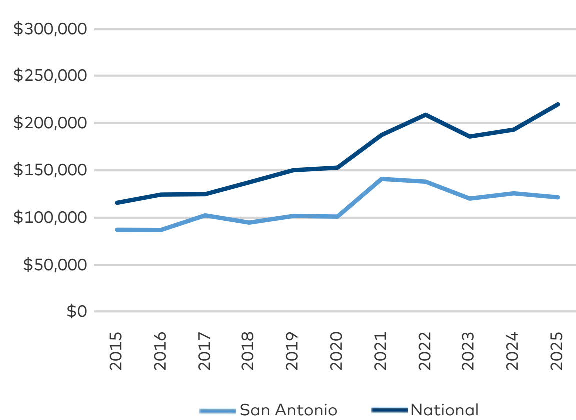
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Far North Side	78
Terrell Hills	77
Oak Hills Country Club	63
University of Texas at San Antonio	52
New Braunfels	30
Southwest Research Institute	21
Southtown/King William	17

Source: Yardi Matrix

[1] From April 2024 to March 2025

San Antonio vs. National Sales Price per Unit



Source: Yardi Matrix

SAN ANTONIO SUBMARKETS

Area No.	Submarket
1	Southtown/King William
2	West Side
3	Southwest Research Institute
4	Balcones Heights
5	West Alamo Heights
6	Alamo Heights–Central
7	Terrell Hills
8	Fort Sam Houston
9	East Side
10	Southeast Side
11	Terrell Wells
12	Southside/Columbia Heights
13	Lackland Terrace
14	Leon Valley–East
15	Oak Hills Country Club

Area No.	Submarket
16	Oakland Estates
17	USAA Area
18	Robards
19	Castle Hills
20	North Loop
21	Longhorn
22	Windcrest
23	City South
24	Far West Side
25	Leon Valley–West
26	Northwest Side
27	University of Texas at San Antonio
28	Shavano Park
29	Hill Country Village
30	Far North Central

Area No.	Submarket
31	Hollywood Park/Welmore
32	Northeast Side
33	Helotes
34	Beckmann
35	Far North Side
36	Universal City
37	Schertz
38	Selma
39	New Braunfels
40	Seguin
41	Southeast Bexar County
42	Southwest Bexar County
43	Northwest Bexar County
44	Outlying Comal County
45	Outlying Guadalupe County

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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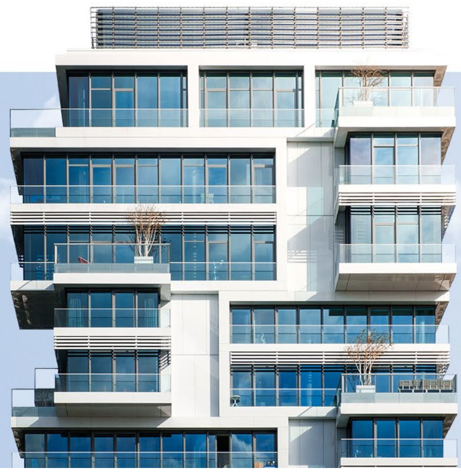
Yardi Matrix



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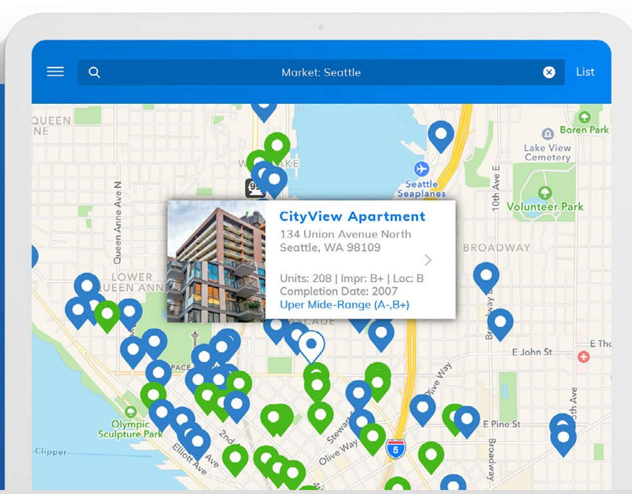
MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23 million units**, covering over **92% of the U.S. population.**

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